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THE

*Market Administrator's***BULLETIN***J. M. Clary*

MARKET ADMINISTRATOR

CURRENT SERIAL RECORDS



Published at 79 East State Street, Columbus, Ohio 43215

ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

Twice the Bargain — MILK

APRIL, 1969

Vol. 25 No. 4

ADDED TO FEDERAL MILK ORDERS: SIDE BENEFITS**H. L. Forest, Director, Dairy Division****Consumer & Marketing Service, U. S. Dept. of Agriculture**

If you are a dairy farmer delivering milk to a Federal milk order marketing area, or a milk dealer doing business there, you have an important side benefit deriving from the milk order: special marketing information provided on supplies, sales and prices of milk.

Most milk market administrators of the orders issue monthly bulletins containing such information for dairy farmers and milk dealers who otherwise would not have it. In addition, the Program Analysis Branch of the Dairy Division in the U. S. Department of Agriculture's Consumer and Marketing Service publishes information pertaining to all Federal milk order markets. These data are widely used by those who must make marketing decisions.

For example, there is no limit under a Federal milk order as to where a dairy farmer may sell his milk. He is free to seek a market and sell where he chooses, if he can negotiate a sale. At times one market may be more advantageous to him than another. He can often find out by referring to the milk order marketing information.

It can tell the farmer (or his cooperative) what prices are being paid for milk in the various markets to which he has access, and to which he might be thinking about shipping milk. And



H. L. Forest, Director Dairy Division

even within individual milk order marketing areas where there are milk plants far out in the market it is customary for the market administrator to publish information on the volume of sales at these locations, and the blend price payable to farmers at the various plants.

Then the farmer can choose the most favorable place in the market to sell, in relation to his own farm location.

For a dairy farmer, the monthly marketing information can serve another purpose. He can use it in checking the price he actually gets for his milk against the price announced under the order.

Federal milk orders require milk dealers to account to the dairy farmer for milk weights, butterfat test, and the official blend price. The dealers must pay him at least the price prescribed in the order. If any deductions are made from a farmer's payment for hauling his milk, or for any other special service, these deductions must be agreed to by the farmer. This accounting of specific information must be furnished to the farmer each time he is paid, so that he has a complete record he himself can check out.

And he can check it out against the milk order marketing information, and make his own calculations to verify that he was properly paid.

Milk dealers, both in buying milk, and in their sales strategy, use the milk order marketing information to guide them. It helps keep them informed on sales and supplies of milk in various markets within their reach. They can

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Miami Valley

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)
Class I (3.5%)
Class II (3.5%)
Producer Butterfat Differential for each 1/10%

Mar.
1969

Feb.
1969

Mar.
1968

\$5.61	\$5.69	\$5.34
6.07	6.10	5.76
4.20	4.19	3.91
7.8¢	7.9¢	7.9¢

RECEIPTS AND UTILIZATION SUMMARY

Class I Pounds
Class II Pounds
Percent of Producer Milk in Class I
Percent of Producer Milk in Class II

31,045,624	28,845,232	30,420,873
9,991,219	7,656,239	8,893,694
75.65	79.02	77.38
24.35	20.98	22.62

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered
Total Number of Producers
Average Daily Receipts per All Producers

Average Butterfat Test
Total Value of Producer Milk at Test
Income per Producer (7 Day Average)

Supply-Demand Adjustment to Class I Price (Cents) ..

41,036,843	36,501,471	39,314,567
1,373	1,372	1,347
964	950	942
3.83	3.87	3.88
\$2,407,717	\$2,183,755	\$2,217,728
\$396	\$398	\$372
+.30	+.33	+.27

NUMBER OF PRODUCER CHANGES

New Producers
Producers Resumed Shipping
Producers off Market

5	17	7
2	1	4
6	4	41

AVERAGE DAILY SALES (Quarts)

Milk
Buttermilk
Chocolate
Skim
Cream

320,498	330,081	302,820
8,658	8,253	6,969
28,435	30,055	27,409
107,442	107,024	90,133
5,056	5,108	4,652

COMPARATIVE STATISTICS

MIAMI VALLEY MARKETING AREA

MAR., 1960 — 1969

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class		Uniform Producer Price (3.5%)	Class Prices at 3.5%		Number of Producers	Average Daily Prod.
			Class I	Class II		Class I	Class II		
1960	35,948,791	3.95	77.6	22.4	4.08	4.459	2.915	1,993	582
1961	40,334,384	3.83	71.7	28.3	4.06	4.510	3.103	1,905	683
1962	39,970,548	3.89	75.0	25.0	4.17	4.57	3.147	1,677	769
1963	37,500,304	3.89	74.7	25.3	4.04	4.43	2.997	1,562	774
1964	41,112,330	3.87	69.3	30.7	3.96	4.44	3.029	1,450	915
1965	34,578,902	3.89	84.5	15.5	4.26	4.52	3.042	1,220	914
1966	39,240,225	3.82	77.5	20.5	4.60	4.94	3.403	1,366	927
1967	38,369,097	3.89	84.9	15.1	5.16	5.45	3.801	1,355	913
1968	39,314,567	3.88	77.4	22.6	5.34	5.76	3.91	1,347	942
1969	41,036,843	3.83	75.7	24.3	5.61	6.07	4.20	1,373	964

DAIRY SALES STEADIED IN 1968

In 1968, dairy product sales steadied and turned upward in the second half, after a slow start in the early months of the year. Commercial disappearance of milk in all dairy products (fat solids basis) was estimated at approximately 110 billion pounds, about the same as in 1967. This follows a drop of about 5 percent in 1967 from the 1966 peak of about 115½ billion pounds.

Domestic sales last year included 2.2 billion pounds milk equivalent of dairy products purchased by the armed services for use in the United States, slightly more than in 1967. Domestic sales for civilian use, equivalent to around 107 billion pounds of milk, were about the same in both years. Sales for export and for shipment to U. S. territories in 1968 were equivalent to 0.8 billion pounds of milk, compared with 0.7 billion a year earlier.

Commercial disappearance of dairy products (milk equivalent, fat solids basis) steadied last year primarily because of the gain in sales of manufactured products. Most major manufactured dairy products registered gains, except evaporated and condensed milk, which continued their long-time downtrend. Sales of cheese, particularly Swiss, cream, and American, continued to increase. Commercial disappearance of ice cream was up 5 percent, the largest annual gain since the late 1950's. Butter sales reversed their long-term downtrend and in-

creased about 1½ percent. Nonfat dry milk sales rose about 6 percent last year, despite substantial price increases. However, since April 1, 1969, when the price increase took effect, sales gained about 2 percent over a year earlier, compared with 18 percent in the first quarter. Smaller increases in retail prices than in 1966 and 1967 helped sales for dairy products, particularly for butter and ice cream. Also contributing to larger sales were sharp gains in consumer incomes, high employment levels, and growing population.

Sales of fluid milk products on a product weight basis last year rose an estimated 1-1½ percent. The sharp 15 percent gain in sales of low-fat fluid items more than offset declines in whole milk and cream sales. Fluid whole milk sales, which fell almost 3 percent from 1966 to 1967, were down less than 1 percent in 1968. Whole milk sales in the fourth quarter of 1968 were estimated above year-earlier levels for the first time since mid-1966.

Sales of fluid milk substitute products in recent months appear to have leveled off in markets for which data are available. Filled milk sales in Federal order markets amounted to about 5.3 million pounds in December, approximately 0.4 percent of Class I sales in the markets reporting. They have remained close to 5 million pounds a month since last March.

DAIRY SALES PROSPECTS BETTER ON BALANCE

In 1969, a larger rise in civilian population than last year, less rise in retail prices than in recent years, and continued—though smaller—gains in consumer income favor a rise in dairy sales. Also, dairy sales promotion is being increased. Filled and imitation milk sales—a mounting threat to whole milk sales in early 1968—have leveled off in markets where data are available.

On the other hand, the possibility of some rise in unemployment and a general rise in all prices temper optimism for increased sales.

The civilian population for mid-1969 is estimated at 200 million persons, a gain of 2.4 million from 1968 after increases of 1.9 million annually for several years. If dairy supports are unchanged, retail prices of dairy products may rise less than increases of the preceding 3 years.

For 1969, changes in fluid product sales are expected to generally follow trends observed for the past several years. Whole milk sales may stabilize or rise slightly; sales of cream items likely will fall. Sales of low-fat items are expected to continue their large gains of recent years. Among major manufactured products, cheese, frozen products, and nonfat dry milk are most likely to increase sales.

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BULLETIN
Administrators
Market
THE

**ADDED TO FEDERAL MILK
ORDERS: SIDE BENEFITS**

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make comparisons from one market to another as to prices required to be paid to farmers for milk for bottling, and for the surplus which will go into manufactured dairy products. Then they can sometimes make advantageous shifts in some of their operations.

Another side benefit deriving from the published milk order information is its helpfulness to researchers who investigate proposed modifications of the Federal milk order program.

And under the system of pricing milk to farmers by milk order formulas, farmers and dealers alike have some assurance of what the relative price levels will be among various markets in the foreseeable future. This helps them make wiser marketing decisions. They can plan ahead.

The fact that farmers and milk dealers can make decisions in the light of specific and reliable marketing information tends to make for greater efficiencies in the marketing system. It helps to reduce costly risk, uncertainty, and marketing mistakes. Supplies of milk flow more orderly in response to demand.

These efficiencies are passed on to the general public in more stable prices and in the dependable supplies of milk which consumers enjoy.

Market Quotations

MARCH
1969

MINNESOTA-WISCONSIN PRICE SERIES	\$4.28
Butter-nonfat dry milk price, 3.5% per cwt. (Columbus)	4.20
Average Price per lb. 92-score butter at Chicago6639
Average carlot prices, spray process nonfat dry milk, f.o.b. Chicago area manufacturing plants2304

MARKET ADMINISTRATORS NAMED FOR THREE FEDERAL MILK ORDERS

John B. Rosenbury has been named market administrator of the new South-eastern Minnesota-Northern Iowa Federal milk marketing order effective April 1, the U. S. Department of Agriculture announced today.

He also will be responsible for the work of the adjacent North Central Iowa milk order, which has been administered by E. H. McGuire.

Mr. Rosenbury will have temporary headquarters in Rochester, Minnesota, until a permanent office can be set up.

Mr. Rosenbury is being transferred to his new post from Salt Lake City, Utah, where he has been market administrator of the Great Basin order since

1962. Before that he was assistant administrator of Federal milk orders in Texas for eight years. For more than 7½ years prior to 1954 he was in Washington, D. C., with the Dairy Division of the Consumer and Marketing Service (then AMS), as an agricultural economist.

Rosenbury is a native of Indiana, and holds a Bachelor of Science degree from Purdue University. He served in the U. S. Army for three years during World War II.

H. Alan Luke, market administrator of Federal milk orders in Colorado, also will administer the Great Basin order after April 1.